



**JAMES J. DONELON
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA**

P.O. Box 94214
Baton Rouge, Louisiana 70804-9214
Phone (225) 342-5900
Fax (225) 342-3078
<http://www.lidi.state.la.us>

**INSTRUCTIONS FOR
APPLICATION TO ACT AS A
SPECIALTY INSURER
IN THE STATE OF LOUISIANA**

GENERAL INSTRUCTIONS

This packet is designed to assist the individual preparing the application in complying with our requirements and procedures. The forms and procedures of the application process are designed to facilitate our review of the application. Therefore, it is extremely important that all applicants comply fully with the instructions and requirements set forth in this packet.

All communication should be directed to:

Louisiana Department of Insurance
Company Licensing Division
P.O. Box 94214
Baton Rouge, LA 70804-9214
Phone: (225) 219-4318
Fax: (225) 219-9322
E-Mail Address: mboutwell@ldi.state.la.us

While our Department will be happy to assist you and answer any questions you may have, we ask that you thoroughly review all instructions and forms before contacting us.

- 1) Submit one original and two photocopies of the complete application package.
- 2) All submittals in association with this application must reach us via the United States Postal Service or a carrier with interstate business. Hand delivery is not acceptable and any information arriving in this manner will be returned without review. In addition, all correspondence must be sent to the attention of the Company Licensing Division to assure prompt receipt and handling.
- 3) Submit only a fully completed application. Submittal of a partially completed application will cause processing delays and may result in disapproval.
- 4) Do not alter the forms contained in this packet. If you feel the requirements do not apply to your company, notify us. We will supply the proper form, if appropriate, and/or answer any questions you have about the forms.
- 5) All original items submitted become the property of the Louisiana Department of Insurance and will not be returned.
- 6) All certified documents required in the application must be dated within ninety (90) days of submittal of the application and all certifications must be original.

- 7) All entries in the application forms must be typed or printed. Illegible entries or responses will be considered incomplete and may result in the disapproval of the application.
- 8) When designating a contact person for the application process, please remember that our staff will communicate only with that individual. The application process is considered confidential and will not be discussed with any person other than the named contact person. We must be notified in writing of any change in the contact person.
- 9) We must be notified of any changes in the applicant or the information submitted in association with this application which occur while the application is under review. This includes changes in officers, directors and partners; changes in address or domicile; and financial statements and examination reports which become available after submission. Failure to notify us of such changes may result in disapproval of the application.
- 10) Unless otherwise indicated in the forms, all applicants must supply all items requested in this packet. If, for some reason, an item which would otherwise be required is not available, a written explanation must be supplied upon submission.
- 11) All of the pages from the enclosed Application must be returned with the submittal. The forms may be reproduced as needed.
- 12) It is the responsibility of the applicant to insure that none of the responses and submittals in association with this application conflict with the information filed with the domiciliary state. Conflicting information will result in the disapproval of the application.

SPECIAL INSTRUCTIONS REGARDING INVESTIGATIVE REPORTS

In association with this application, the Louisiana Department of Insurance requires that all applicants make arrangement for investigative reports for all persons for whom biographical affidavits are supplied. This will include all officers, all directors, all individuals who own ten percent or more of the applicant and all other persons responsible for the conduct of affairs of the applicant.

The investigative report must be prepared by one of the investigators approved by this Department. A list of those investigators with the address, phone number and contact person is available on our web site at www.lidi.la.gov. The applicant should advise the investigator that the reports are being prepared for the Louisiana Department of Insurance and make the necessary arrangements for payment.

In order to complete the necessary reports, the investigative firms must be provided with copies of all biographical affidavits. **DO NOT SEND ORIGINAL AFFIDAVITS TO THE INVESTIGATIVE FIRMS.**

WAIVER OF INVESTIGATIVE REPORTS AND FINGERPRINT CARDS

In certain cases the investigative report may be waived for specific individuals. The requirements for this waiver are as follows;

- 1) An investigative report has been supplied to this Department for the individual within one year previous to the date of submittal of the complete application packet. OR
- 2) The individual in question has been the officer or director of an insurer licensed to do business in Louisiana for a period of not less than 10 years. This exception will not apply when the company has undergone a change of control at any time in that 10 year period.

INITIAL FINANCIAL EXAMINATION AND CONFIRMATION OF ASSETS

Prior to the issuance of a Certificate of Authority to a Louisiana domiciled insurer, this Department will conduct an initial financial examination and confirmation of the assets of the applicant.

Therefore, the applicant company must be properly capitalized and its funds invested in compliance with the applicable statutes and in the name of the applicant upon submission of the application. If the funds are not properly invested and verifiable, the application will be disapproved.

This Department will contact the applicant to obtain any additional information needed for this examination.

REVIEW OF CONTRACT FORMS

In association with the review of an application for an automobile service club seeking a Certificate of Authority, the Market Conduct Division of the Department of Insurance will review the policy forms to be used in Louisiana for compliance with the applicable statutes. This Division will contact the applicant directly with notice of any deficiencies. All deficiencies in the policy forms must be corrected and the forms must be approvable before a Certificate of Authority will be issued to an applicant.

SPECIAL INSTRUCTIONS FOR ATTESTATION PAGE

The signatures which appear on the final page of the application are determined by the legal structure of the applicant. Below are the expected variations and the instructions for who should sign the application in each case.

IF THE APPLICANT IS A(N)....	THE APPLICATION SHOULD BE SIGNED BY...
Individual	the applicant
Corporation	the president and secretary
Association	the president and secretary
Partnership	two partners
Trust	two trustees
Any other	contact the Department for instructions

COMMON QUESTIONS

The following are some of the most commonly asked questions regarding the application package and process.

Q: What are the minimum capital and surplus requirements for specialty insurers doing business in Louisiana?

A: The Louisiana Insurance Code requires that all applicants for Certificate of Authority as a specialty insurer be solvent corporations. No minimum requirements are set. However, the Department will review the actuarial statements and the financial statements of the applicants to determine whether or not they can reasonably be expected to meet the obligations of their contracts.

Q: What is the time frame for the review of an application?

A: This Department makes every effort to review all applications as soon after submittal as possible. The review process can be expected to take from ninety (90) to one hundred twenty (120) days from receipt of a complete application. Please take this time frame into account when considering deadlines and operation schedules for the applicant.

Q: Where can I find the laws and regulations governing insurance in Louisiana?

A: Title 22 of the Louisiana Revised Statutes is the Louisiana Insurance Code and most laws enacted by the Louisiana Legislature which affect specialty insurers and insurance can be found in that Title. For your convenience copies of the sections applicable to specialty insurers have been included in this application packet. Copies of the complete Louisiana Insurance Code can be obtained from private printing companies which specialize in statutory printing. In addition to the statutes, the Commissioner of Insurance has issued many regulations, rules and directives. Copies of these items may also be obtained from publishers specializing in printing legal and regulatory documents. One such company is given below.

**National Insurance Law Service
P.O. Box 2507
Chatsworth, CA 91313
1-800-423-5910**

Q: Regarding the two copies of the application, since duplicates of the policy forms have already been supplied with the original, must duplicate copies be made?

A: Yes. Each copy of the application must be a complete packet.

Q: Can the forms in the application packet be recreated on a word processor for completion by the applicant?

A: No. The forms in this packet are designed for ease of recognition by our staff and, in many cases, in strict compliance with statutory wording requirements. Therefore, any changes in the format or wording of the forms will cause delays in the review and may lead to the disapproval of the application.

Q: Can the statutory deposits be made after an approval is given on the application?

A: No. All deposits must be in place at the time that the application is submitted. Failure to make these deposits prior to application review will result in the disapproval of the application.

Q: Is there a particular financial institution which the Department prefers for the statutory deposit?

A: No. Statutes require only that the deposit be placed in a savings and loan or banking institution doing business in Louisiana. Any institution which meets this requirement is acceptable to this Department.

COMMON QUESTIONS CONTINUED

Q: Section 3 of the application form requires certain biographical information on owners of 10% or more of the applicant. What if all owners are corporations? Do the officers and directors of those parent corporations supply the biographical information?

A: Initially, no. However, this Department reserves the right to request biographical information for all persons who would exercise control over the insurer up to and including the ultimate controlling party. The Department will determine if additional information is required upon review of the application and notify the applicant.

Q: Can we meet with the Department for a preliminary review of our application prior to submission?

A: Yes. Our staff will be happy to meet with representatives of the applicant to review the application before it is actually submitted. It should be noted, however, that this courtesy review is to help assure completeness only and our Division will not issue a preliminary approval or disapproval of the application prior to submission. Any application sent to this Office via U.S. Mail will be considered submitted for review and will not be eligible for a pre-review. You may make an appointment for preliminary review by contacting the Company Licensing Division of the Louisiana Department of Insurance. Preliminary reviews will be performed only with an appointment.



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**APPLICATION TO ACT AS A
SPECIALTY INSURER
IN THE STATE OF LOUISIANA**

General Information (Type or Print)

APPLICANT NAME: _____

FEIN NO.: _____ DOMICILE: _____

DATE OF ORGANIZATION: _____ DATE COMMENCED BUSINESS: _____

HOME OFFICE ADDRESS: _____

CONTACT NAME†: _____ CONTACT TITLE: _____

PHONE: _____ FACSIMILE: _____

CONTACT ADDRESS: _____

_____ E-MAIL: _____

† This Office will only communicate with the named contact person.

TYPE OF APPLICANT (Check only one)

- ☐ VEHICLE MECHANICAL BREAKDOWN INSURER
☐ PROPERTY RESIDUAL VALUE INSURER

- ☐ ANIMAL INSURER
☐ AUTOMOBILE SERVICE CLUB

ORGANIZATIONAL STRUCTURE (Check only one)

☐ CORPORATION

☐ PARTNERSHIP

☐ ASSOCIATION

☐ OTHER _____

SECTION 1 - FEES

VEHICLE MECHANICAL BREAKDOWN INSURER	
License Fee	\$ 1,500.00
Certificate of Recordation	2.00
Recordation of Charter (\$2.00 per page)	_____:
Total Amount This Check	
PROPERTY RESIDUAL VALUE INSURERS	
License Fee	\$ 1,500.00
Certificate of Recordation	2.00
Recordation of Charter (\$2.00 per page)	_____:
Total Amount This Check	
ANIMAL INSURER	
License Fee	\$ 1,500.00
Certificate of Recordation	2.00
Recordation of Charter (\$2.00 per page)	_____:
Total Amount This Check	
AUTOMOBILE SERVICE CLUB	
License Fee	\$ 300.00
Certificate of Recordation	2.00
Recordation of Charter (\$2.00 per page)	_____:
Agent Appointment (\$10.00 per agent)	_____:
Total Amount This Check	_____:
A separate check must be included for...	
Policy form review (2.00 per page)	\$_____:
Total Amount This Check	_____:

ALL CHECKS MUST BE MADE PAYABLE TO THE LOUISIANA DEPARTMENT OF INSURANCE.

The review process will not begin until ALL fees are paid. Louisiana law does not allow for the fees to be paid after the issuance of the Certificate of Authority. The Louisiana Department of Insurance may convert your payments by check to an electronic Automated Clearinghouse (ACH) debit transaction. This means that your account may be debited the day your check is received by the Louisiana Department of Insurance. Although the debit transaction will appear on your bank statement, your check will not be returned to your bank. If the electronic fund transfer cannot be processed for technical reasons, you authorize us to process the copy of your check.

SECTION 2 - INTERROGATORIES

Except as otherwise indicated below, all of the following questions must be answered for every applicant. ATTACH A FULL EXPLANATION AND/OR THE REQUESTED INFORMATION FOR ANY "YES" ANSWERS

1) Has the applicant ever had an application denied by any regulatory authority?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
2) Has the applicant ever been placed under any type of regulatory supervision?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
3) Has the applicant ever had a Certificate of Authority or license revoked or suspended by any regulatory authority?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
4) Has the applicant ever been subject to any regulatory action including cease and desist orders or similar actions?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
5) Has the applicant ever changed its name?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
6) Has the applicant ever redomesticated?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
7) Within the last five years, has the applicant transferred or encumbered a substantial portion (more than 20%) of its assets or business?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
8) Within the last five years, has the applicant merged or consolidated with any other entity?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
9) Within the last five years, has the applicant undergone a change in ownership of 10% or more?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
10) Is the applicant presently negotiating or inviting negotiations or party to a counterletter which would result in transfer or encumbrance of a substantial portion (more than 20%) of its assets or business?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
11) Is the applicant presently negotiating or inviting negotiations or party to a counterletter which would result in a merger or consolidation with any other company?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
12) Is the applicant presently negotiating or inviting negotiations or party to a counterletter which would result in a change of ownership of 10% or more?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
13) Has the applicant undergone a change of management or control since the date of the latest financial statement filed in support of this application?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
14) Does the applicant contemplate a change in management or any transaction which would normally result in a change of management within the reasonably foreseeable future?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
15) Is the applicant owned, operated or controlled, directly or indirectly, by any other state or province, district, territory or nation or any governmental subdivision or agency?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
16) Has any person who is presently an officer, director or owner of 10% or more of the applicant company ever been convicted of or pleaded guilty or nolo contendere in any jurisdiction to a felony or misdemeanor other than minor traffic violations?	<input type="checkbox"/> YES	<input type="checkbox"/> NO

SECTION 2 - INTERROGATORIES

17) Is the applicant currently engaged in any controversy with any state or federal regulatory agency?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
18) Is the applicant a plaintiff or defendant or subject in any legal action other than one arising from policy claims?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
19) Is the applicant a defendant in <u>any</u> lawsuit asking for a judgment that is equal to or greater than 10% of the policyholder surplus?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
20) Is the applicant presently licensed as an insurance agent or broker?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
21) Within the last five years, has the applicant made a loan to an entity owned or controlled directly or indirectly by one or more of the applicant's officers, directors, trustees, investment committee or any owner of 10% or more?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
22) Within the last five years, has the applicant sold or transferred any of its assets or property, real or personal, to any entity owned directly or indirectly by one or more of the applicant's officers, directors, trustees, investment committee members or owners of 10% or more?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
23) Within the last five years, has the applicant purchased securities, assets or property of any kind from an entity owned or controlled directly or indirectly by one or more of the applicant's officers, directors, trustees, partners investment committee members or any owner of 10% or more?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
24) If any of questions 22, 23 or 24 were answered yes, did any officer, director, trustee, partner investment committee member or owner of 10% or more of the applicant company receive any money or valuable thing for negotiating, procuring, recommending or aiding in such transaction?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
25) Does the applicant have any reinsurance contracts which in effect provide that the applicant will reimburse or indemnify the reinsurer for losses payable thereunder?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
26) Is the applicant affiliated with any insurers which are authorized or approved to do business in this state?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
27) Does the regulatory authority governing the applicant in its domicile have any statutes or regulations that might prohibit or restrict in any way the disclosure of information concerning the applicant to the Louisiana Department of Insurance?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
28) Is the applicant required to be licensed in its domiciliary state in order to supply the coverage or services which it proposes to offer in this state?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
29) Is the applicant licensed in <u>any</u> state other than its domiciliary state to provide the coverage or services which in proposes to offer in this state?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
30) Is the applicant or its parent corporation a publicly traded company? (If yes, attach a copy of the most recent 10K or equivalent filing.)	<input type="checkbox"/> YES	<input type="checkbox"/> NO

SECTION 3 - MANAGEMENT/BIOGRAPHICAL

- 1) AGENT APPOINTMENT FORM** fully completed. The applicant must appoint at least one licensed agent. The agent must be a Louisiana resident and hold a current Louisiana automobile service club agent's license. The appropriate form is attached. (AUTOMOBILE SERVICE CLUBS ONLY)
- 2) BIOGRAPHICAL AFFIDAVITS** for all persons responsible for the conduct of affairs of the applicant. This will include all officers, directors, partners (in the case of a partnership), trustees, executive committee members and/or person(s) owning, directly or indirectly, 10 percent or more of the applicant and any other person who exercises control or influence over the affairs of the applicant. Only the most recent version of the affidavit adopted by the National Association of Insurance Commissioners is acceptable. This form can be located on our web site www.ldi.la.gov
- 3) FINGERPRINT CARDS** for all persons responsible for the conduct of affairs of the applicant. This will include all officers, directors, partners (in the case of a partnership), trustees, executive committee members and/or person(s) owning, directly or indirectly, 10 percent or more of the applicant and any other person who exercises control or influence over the affairs of the applicant. The FBI/NCIC standard cards should be used and may be obtained from most local law enforcement offices.
- 4) INVESTIGATIVE REPORTS** for all persons for whom biographical affidavits were supplied. See the application instructions for more information regarding the procedure for obtaining these reports.
- 5) DOMICILIARY STATE QUESTIONNAIRE** completed by an official of the appropriate office of the domiciliary state or, in the case of an alien insurer, the state of entry, within ninety (90) days of the submission of this application. The appropriate form is attached. (FOREIGN AND ALIEN APPLICANTS ONLY)

SECTION 3.1 - OFFICIAL LIST OF MANAGEMENT AND OWNERS

Below give a complete list of all persons responsible for the conduct of affairs of the applicant. This list should include all officers, all directors, all partners (in the case of a partnership), all trustees, all executive committee members and all person(s) owning, directly or indirectly, 10 percent or more of the applicant and any other person who exercises control or influence over the affairs of the applicant

[illegible]

SECTION 4 - FINANCIAL

1) STATUTORY DEPOSIT as indicated below.

REQUIREMENTS FOR A VEHICLE MECHANICAL BREAKDOWN INSURER, PROPERTY RESIDUAL VALUE INSURER OR ANIMAL INSURER

A safekeeping or trust receipt from a bank doing business within this state or from a savings and loan association chartered to do business in this state indicating that the applicant has deposited one hundred fifty thousand dollars (\$150,000.00) in money or acceptable bonds with that institution and pledged said deposit to the Commissioner of Insurance. The banks have the necessary pledge forms. Do not contact this Office to request one; OR

A one hundred thousand dollar (\$150,000.00) surety bond issued by a surety company licensed to do business in the state of Louisiana. The appropriate bond form can be obtained from the Louisiana Department of Insurance web site (www.ldi.state.la.us).

REQUIREMENTS FOR AN AUTOMOBILE SERVICE CLUB:

A safekeeping or trust receipt from a bank doing business within this state or from a savings and loan association chartered to do business in this state indicating that the applicant has deposited twenty-five thousand dollars (\$25,000.00) in money or acceptable bonds with that institution and pledged said deposit to the Commissioner of Insurance. The banks have the necessary pledge forms. Do not contact this Office to request one; OR

A twenty-five thousand dollar (\$25,000.00) surety bond issued by a surety company licensed to do business in the state of Louisiana. The appropriate bond form can be obtained from the Louisiana Department of Insurance web site (www.ldi.state.la.us).

2) AUDITED FINANCIAL STATEMENT prepared by an independent qualified certified public accountant showing the assets and liabilities of the applicant as of the proceeding December 31. The statement must be certified as true and correct by two officers or two partners of the applicant.

- A DOMESTIC APPLICANT should supply a balance sheet verified by two officers of the applicant. This statement is not a pro-forma and should reflect the accurate condition of the applicant upon submission of the application.

3) UNAUDITED FINANCIAL STATEMENT for the period since the previous December 31. (FOREIGN AND ALIEN APPLICANTS ONLY)

4) A REPORT OF FUTURE RESERVES clearly indicating the method being used to reserve for future losses and the amount in reserve for future losses.

5) An AFFIDAVIT OF SOURCE OF FUNDS signed by the president and treasurer of the applicant, giving the description, value and exact source of all assets which will be used to capitalize the applicant. (DOMESTIC APPLICANTS ONLY)

6) A STATEMENT OF MEMBERSHIP giving the number of members in all states or territories in which the applicant operates as of the previous December 31. (FOREIGN AND ALIEN AUTOMOBILE SERVICE CLUB APPLICANTS ONLY)

SECTION 5 - LEGAL

1) PLAN OF OPERATION which addresses the following points;

- What type of business does the applicant intend to write?
- What markets does the applicant intend to target? What geographic areas?
- Who will produce business for the applicant?
- What is the anticipated number of agents the applicant plans to have selling its products?
- What is the total projected Louisiana business over the next five years? These figures should be given on an annual basis and be arranged by lines of business which will comprise 10 percent or more of the total premium volume.
- What are the total loss adjustments, expense and claim reserves, projected loss ratios and loss adjustment expense and amount of projected claim reserves for Louisiana business? These figures should be given on an annual basis and be arranged by lines of business which will comprise 10 percent or more of the total premium volume.
- Who will be underwriting the business produced in Louisiana? If the underwriter is other than the applicant, what is the relationship to the applicant?
- Briefly, what are the underwriting controls for accepting or rejecting a potential policyholder or member?
- What procedures does the applicant have in place for reviewing, accepting or denying claims? What, if any, procedures are in place to allow the applicant to make prompt payment of claims?
- What procedures or processes does the applicant have for reviewing the business produced by individual agents or general agents? What action is taken in association with agents who consistently produce unprofitable business?
- What procedures does the applicant have in place for reviewing, accepting or denying proposed investments?
- Give a detailed description of the corporate organizational structure of the applicant, its parent applicant and all affiliates. This description should include a chart showing the ownership percentages of all affiliated companies up to and including the ultimate controlling person.

2) COPY OF THE ARTICLES OF INCORPORATION OR OTHER SUCH ORGANIZATIONAL DOCUMENTS of the applicant certified by the proper domiciliary official.

3) COPY OF THE BY-LAWS OF THE APPLICANT certified as true and correct by the secretary of the applicant.

4) APPOINTMENT OF AGENT TO ACCEPT SERVICE OF PROCESS FOR LOUISIANA form fully completed. The appropriate form is attached. (FOREIGN AND ALIEN VEHICLE MECHANICAL BREAKDOWN INSURERS, PROPERTY RESIDUAL VALUE INSURERS AND ANIMAL INSURERS ONLY)

5) CONSENT TO BE SUED form properly completed. The appropriate form is attached (AUTOMOBILE SERVICE CLUBS ONLY)

6) CERTIFICATE OF GOOD STANDING issued by the Louisiana Secretary of State evidencing that the applicant is qualified to do business in Louisiana.

7) CERTIFICATE OF COMPLIANCE issued and certified by the proper domiciliary state official. (FOREIGN APPLICANTS WHICH ARE LICENSED IN THEIR DOMICILIARY STATE ONLY)

SECTION 5 - LEGAL - CONTINUED

- 8) COPY OF THE DOMICILIARY CERTIFICATE OF AUTHORITY** certified by the proper domiciliary official. This Certificate must clearly indicate the lines of insurance or services which the applicant is authorized to write in its domicile. (FOREIGN AND ALIEN APPLICANTS ONLY)
- 9) LETTER CONFIRMING NON-REGULATION** issued by the proper domiciliary state official advising that the domiciliary state does not require licensure for the business which the applicant proposes to transact in Louisiana. (FOREIGN AND ALIEN APPLICANTS WHICH ARE NOT REQUIRED TO BE LICENSED IN THEIR STATE OF DOMICILE)
- 10) AFFIDAVIT OF NON-REGULATION** signed by an officer of the company. The proper form is attached. (APPLICANTS WHICH ARE NOT REQUIRED TO BE LICENSED IN THEIR STATE OF DOMICILE)
- 11) AUTHORIZATION FOR THE RELEASE OF INFORMATION** fully completed. The appropriate form is attached. (ALIEN APPLICANTS ONLY)
- 12) COPY OF THE CREDIT DISABILITY POLICY** which will be offered by the applicant if such a policy is offered. If such a policy is not being offered, please advise. (AUTOMOBILE SERVICE CLUBS)
- 13) DUPLICATE COPIES OF ALL APPLICATIONS, POLICY FORMS, SERVICE AGREEMENTS, CONTRACTS AND SERVICE BROCHURES** intended for use in Louisiana.
- 14) COMPLETE COPIES OF ALL REINSURANCE AGREEMENTS** of the applicant. Supply only copies of executed agreements. Draft copies, binders or specification sheets are not acceptable.

SECTION 6 - GENERAL INFORMATION

1) If the applicant is an alien applicant, furnish the name, address, telephone number and e-mail address of its American legal counsel.

Phone #

E-mail Address:

2) If the applicant is an alien entity, furnish the name, address, telephone number and e-mail address of the United States Trustee.

Phone #

E-mail Address:

3) Give the address, telephone number and e-mail address of the supervisory claims office responsible for Louisiana claims.

Phone #

E-mail Address:

4) Give the name, address, telephone number and e-mail address of the contact person and division to whom consumer complaints should be directed. If available, provide a toll-free number for consumers.

Phone #

E-mail Address:

SECTION 6 - GENERAL INFORMATION CONTINUED

- 5) Give the name, address, telephone number and e-mail address of the contact person and division to whom questions regarding the appointment and licensing of agents should be directed (AUTOMOBILE SERVICE CLUBS ONLY)

Phone #

E-mail Address:

-

- 6) Give the name, address, telephone number and email address of the contact person or division to whom questions regarding contract forms should be directed.

Phone #

E-mail Address:

-

- 7) Give the name and address of the financial institution(s) where the funds of the applicant are on deposit. Also include the name telephone number and email address of a contact person at that institution. (DOMESTIC APPLICANTS ONLY)

Phone #

E-mail Address:

- 8) If available provide the URL or World Wide Web address of the applicant

- 9) If available provide the toll free number to which consumers in Louisiana with question may be directed

The answers to questions 9 and 10 will be used for statistical and informational purposes. The response to this question will have no bearing on the Department's decision in the matter of this application.

10) Does the applicant company have in place a plan, program or procedure designed to promote the employment and/or participation of minorities, women and/or persons with disabilities?

☐ YES☐ NO

If yes, provide an explanation of this plan, program or procedure below or attach a copy to this application.

[illegible]

11) Does the applicant have a program to prevent insurance fraud?

☐ YES

☐ NO

If yes, provide a detailed explanation of the plan which should include but not be limited to the following:

- a) A description of current programs aimed at preventing insurance fraud in which the applicant is directly involved. Identify whether these programs are specific to Louisiana or countrywide.
- b) An analysis of each program's success. Provide hard data, if available, which measure the success of each program.
- c) The applicant's future plans aimed at preventing insurance fraud in Louisiana.
- d) Last year's budget and the current year's budget underlying programs aimed at preventing insurance fraud. Include a count of human resources directly allocated to programs aimed at preventing fraud.

Give the name, address and phone number of a person within the applicant who can be contacted to provide additional information regarding the applicant's fraud program.

Phone #

ATTESTATION

STATE OF _____

COUNTY OR PARISH OF _____

BEFORE ME, the undersigned authority, personally appeared _____
and _____ who, after being duly sworn, did depose and say that all
information contained in this application and all attachments thereto is, to the best of his knowledge, true, complete and correct.
Furthermore they did certify that all of the terms, agreements involving this applicant and its officers, directors, owners of 10
percent or more, trustees, partners or any other person responsible for the conduct of affairs of the applicant, whether written or
verbal, have been disclosed to the Louisiana Commissioner of Insurance and that any changes in the information submitted shall
be disclosed to the Commissioner within 48 hours of the change in the form of a notarized statement.

Witness' Signature

Signature of Applicant or Authorized Representative

Witness' Printed Name

Printed Name and Title of Authorized Representative

Witness' Signature

Signature of Authorized Representative of Applicant

Witness' Printed Name

Printed Name and Title of Authorized Representative

SWORN TO and subscribed before me this _____ day of _____, 19 ____.

Notary Public's Signature

Notary Public's Printed Name

My Commission Expires _____

**ANY FALSE OR MATERIAL MISSTATEMENTS MADE IN ASSOCIATION WITH THIS APPLICATION MAY BE A
VIOLATION OF 42 USCA 1033 (a) (1).**

AC-3 - AUTOMOBILE CLUB

This is to certify that the automobile club named below has conducted a diligent inquiry and investigation of the background of the agents listed below. This inquiry includes his/her financial stability and personal characteristics. It is further certified that the agents are thoroughly familiar with the insurance features of the automobile club service contract, if such contract includes any form of insurance. THIS IS TO FURTHER CERTIFY THAT THE AGENTS LISTED BELOW ARE APPOINTED FOR THE LICENSE YEAR: **MAY 1, 1999 - APRIL 30, 2000.**

Company Number _____

Company Name and Address:

COMMISSIONER OF INSURANCE
STATE OF LOUISIANA
P. O. BOX 94214
BATON ROUGE, LOUISIANA 70804-9214

☐ CHECK THIS BOX IF THIS COMPANY APPOINTMENT IS FOR
AN INSURER APPLYING TO BECOME ADMITTED IN THIS STATE.

	Disapproved Code (DOI Use)		Limited Code		Agent Name			Resident State	Fee
	↓	License Number	↓	EIN or Social Security N ⁰	Last	First	Middle		
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									

REMARKS: _____

Signature of Authorized Representative_____
Date

Fiscal Division Only	Agent's Licensing Only	FOR DEPARTMENT OF INSURANCE USE ONLY	
		Classification _	
		Postmark Date	
		Date Processed	
		Initials	

INSTRUCTIONS FOR APPOINTING ALL TYPES OF AGENTS

1. When an appointment form is submitted to our department a copy of the approved or disapproved appointments will be returned to your company. **Please enclose a self-addressed, stamped envelope.** (You may wish to make a copy prior to submitting your appointment to our office.)
2. All insurer information must be completed including the company number.
3. Fees are not refundable. A new form and fee must be submitted if the appointment is disapproved.
4. The name listed on the appointment form must be exactly as it appears on the Louisiana license. List last name first in alphabetical order. Do not use abbreviations or nicknames. **INCOMPLETE NAMES WILL BE DISAPPROVED.**
5. When appointing a partnership or corporation, list the name of the partnership or corporation. It is not necessary to appoint each partner, officer or employee registered with the firm, in their individual name.
6. A \$10 penalty fee will be charged for each name listed on the renewal appointment form if filed after March 1.

Life, Health and Accident Appointments (1117B)	Property and Casualty Agent Appointments (1170)
<p>If you wish to limit an agent to the lines of insurance listed below, please indicate the limited code in the corresponding column on Form 1117B.</p> <p>1. Limited to Credit Life</p> <p>2. Limited to Credit Health and Accident</p> <p>3. Limited to Credit Life and Credit Health and Accident</p> <p>4. Limited to Travel Health and Accident</p> <p>FEES: Louisiana Residents \$10.00 per agent Nonresidents Reciprocal</p>	<p>IMPORTANT: Do not list solicitors, brokers, or salaried employees of your company. If you wish to limit an agent to the lines of insurance listed below, please indicate the limited code in the corresponding column on Form 1170.</p> <p>5. Limited to Industrial Fire</p> <p>6. Limited to Fidelity and Surety</p> <p>7. Limited to Baggage</p> <p>8. Agent will write Bail Bonds</p> <p>9. Limited to Vehicle Property Damage</p> <p>10. Limited to Credit Property</p> <p>FEES: Louisiana Residents \$10.00 per agent Nonresidents Reciprocal</p>
Salaried Employees Appointments (1171)	Variable Annuity Appointments (VA-3)
<p>Do not list brokers or solicitors.</p> <p>FEES: Louisiana Residents \$10.00 per agent Nonresidents Reciprocal</p>	<p>The applicant must hold a current Life Appointment with the appointing Insurance Company.</p> <p>FEES: Louisiana Residents \$10.00 per agent Nonresidents Reciprocal</p>
Automobile Club Agents (AC-3)	Other Information
<p>FEES: Louisiana Resident \$10.00 per agent Nonresident Reciprocal</p>	<p style="text-align: center;">THIS FORM MAY BE REPRODUCED.</p> <p>Checks must be made payable to the Louisiana Department of Insurance.</p>

DISAPPROVED CODES			
A	Agent did not renew his/her license	I	Invalid address and/or Fine imposed
B	Agent holds a limited license and is not qualified to transact lines of insurance authorized by your company's certificate of authority	J	Deceased Individual
C	Invalid license number or name and number do not match	K	Revoked License
D	Bail Bond Agent must file fingerprint card and/or rap sheet	L	Suspended License
E	See REMARKS at bottom of form OR see letter attached to appointment form	M	License Cancelled
F	Agent/Agency is not licensed	N	Moved out of state
G	Agent has a complaint on file	O	Need letter of certification indicating lines of insurance for which the agent is licensed
H	Agent has a non-sufficient fund check on file (company appointment form may be resubmitted when check is clear)	P	Agent does NOT hold a current life appointment to represent the insurance company



JAMES J. DONELON
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA

P.O. Box 94214
Baton Rouge, Louisiana 70804-9214
Phone (225) 342-5900
Fax (225) 342-3078
<http://www.lidi.state.la.us>

DOMICILIARY STATE QUESTIONNAIRE

GENERAL INFORMATION - TO BE COMPLETED BY COMPANY

COMPANY NAME: _____

COMPANY ADDRESS: _____

NAIC #: _____ STATE OF DOMICILE _____

DATE COMPANY WAS LICENSED IN DOMICILIARY STATE: _____

RETALIATORY STATEMENT - TO BE COMPLETED BY DOMICILIARY STATE

Please indicate below the requirements which would be applied to a like Louisiana company applying for authority to write the classes of business indicated above in your state.

Paid in capital of... \$ _____

Surplus over all liabilities of... \$ _____

Security Deposit in Louisiana of... \$ _____

Security Deposit in your state of... \$ _____

On a separate sheet, please itemize the following charges

Fees for admission

Annual renewal fees

Premium taxes (please state basis of computation)

Any other charges included taxes, fees, fire marshal's tax,
privilege tax, etc.

REGULATORY EXPERIENCE - TO BE COMPLETED BY DOMICILIARY STATE

- 1) Please attach a brief description of the coverage or services which this company supplies in your state.
- 2) How would you describe your overall experience with this company? (If poor, attach an explanation) ☐ GOOD ☐ FAIR ☐ POOR
- 3) Has your Office received any complaints on this company in the last year? (If yes, please indicate the total number of complaints and attach a breakdown of the complaints by type.) ☐ YES ☐ NO
- 4) In your opinion, is the management trustworthy and competent? (If no, attach an explanation.) ☐ YES ☐ NO
- 5) Is this company affiliated directly or indirectly by ownership, control, reinsurance transactions or other business relations with any person or company whose business operations have been detrimental to the policyholders or to the public? (If yes, attach an explanation) ☐ YES ☐ NO
- 6) Has your department ever taken any kind of disciplinary action against this company? (If yes, attach an explanation.) ☐ YES ☐ NO
- 7) Has the company been subject to an order of rehabilitation within the past 10 years? ☐ YES ☐ NO
- 8) Is your department currently conducting a financial or market conduct examination of this company? (If yes, what type of examination(s) is/are being conducted?) ☐ YES ☐ NO
- 9) Has this company filed any amendments to its most recent annual statement? (If yes, please indicate the date of those amendments.) ☐ YES ☐ NO

BELOW PLEASE PRINT THE NAME, TITLE, ADDRESS AND TELEPHONE NUMBER OF THE PERSON FROM THE DOMICILIARY STATE WHO CAN PROVIDE INFORMATION REGARDING THE FINANCIAL MATTERS OF THIS COMPANY.

NAME _____ **TITLE** _____
ADDRESS: _____
CITY: _____ **STATE:** _____ **ZIP:** _____
PHONE: _____ **E-MAIL ADDRESS:** _____

BELOW PLEASE PRINT THE NAME, TITLE, ADDRESS AND TELEPHONE NUMBER OF THE PERSON FROM THE DOMICILIARY STATE WHO CAN PROVIDE INFORMATION REGARDING THE MARKET CONDUCT OF THIS COMPANY.

NAME _____ **TITLE** _____
ADDRESS: _____
CITY: _____ **STATE:** _____ **ZIP:** _____
PHONE: _____ **E-MAIL ADDRESS:** _____

BELOW PLEASE PRINT THE NAME, TITLE, ADDRESS AND TELEPHONE NUMBER OF THE PERSON COMPLETING THIS FORM FOR THE DOMICILIARY STATE.

NAME _____ **TITLE** _____
ADDRESS: _____
CITY: _____ **STATE:** _____ **ZIP:** _____
PHONE: _____ **E-MAIL ADDRESS:** _____

Signature of Person Completing this Form

Date



**JAMES J. DONELON
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA**

P.O. Box 94214
Baton Rouge, Louisiana 70804-9214
Phone (225) 342-5900
Fax (225) 342-3078
<http://www.lidi.state.la.us>

**APPOINTMENT OF AGENT
TO ACCEPT SERVICE OF PROCESS
FOR LOUISIANA**

KNOW ALL YE PERSONS BY THESE PRESENTS:

That the _____
of the _____ of _____ in the State of _____
now authorized or having applied for authority to transact business in the State of Louisiana, in conformity with the insurance law
thereof, does hereby make, constitute and appoint the Secretary of State of said State, or his successor in office, its true and lawful
ATTORNEY, in and for the State of Louisiana, on whom process of law, whether mesne or final, against said

_____ may be served in any action or special proceedings in the State of Louisiana, subject to and in accordance with all the provisions
and statutes and laws in said State of Louisiana, and such other acts as may be hereafter passed amendatory thereof, and
supplementary thereto. And the said Attorney is hereby duly authorized and empowered, as the Agent of said

_____ receive and
accept service of process in all cases as provided for by the said laws, and such service shall be deemed valid personal service upon
said _____. This appointment is
to continue in force for the period of time and in the manner provided by the statutes of the State of Louisiana.

IN WITNESS WHEREOF, The said _____ in
accordance with the resolution of the Board of Directors duly passed on the
____ day of _____, A.D. 19__ (a certified copy of which is hereto attached),
has to these presents affixed its Corporate Seal, and caused the same to be subscribed
and attested by its President and Secretary at the City of _____ in
the State of _____ on the _____ day of _____, A.D. 19__.

Secretary's Signature

President's Signature

Secretary's Printed Name

President's Printed Name

STATE OF _____
COUNTY OF _____
CITY OF _____

On this ____ day of _____ A.D. 19____, before me, the subscriber, a _____
duly appointed to take the proof and acknowledgement of Deeds and other instruments came
_____ President, and _
_____ Secretary,
of _____
to me personally known to be the individuals described in and who executed the preceding instruments; and they each duly
acknowledged the execution of the same; and being by me each duly sworn, severally, and each for himself, depose and saith,
that they are the said officers of the _____
aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of the said
_____ and that the said Corporate Seal
and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the
said _____.

Witness' Signature

Company President's Signature

Witness' Printed Name

Company President's Printed Name

Witness' Signature

Company Secretary's Signature

Witness' Printed Name

Company Secretary's Printed Name

SWORN TO and subscribed before me this _____ day of _____, 19____.

Notary Public's Signature

Notary Public's Printed Name

My Commission Expires _____

CERTIFIED COPY of a Resolution duly passed by the Board of Directors of the _____
on the _____ day of _____, A.D. 19__.

At the meeting of the Board of Directors of the _____
held on the _____ day of _____, A.D. 19 __, at the city of _____ in the State of _____
_____ a quorum of the said Board was present and on motion the following Resolution was
duly passed by said Board:

"RESOLVED, That this _____ now authorized, or having
applied for authority to transact business in the State of Louisiana, in conformity with the laws thereof, does hereby authorize the
President and Secretary, under the Corporate Seal of the

_____ to make, constitute and appoint the
Secretary of State of the State of Louisiana, or his successor in office, its true and lawful ATTORNEY, in and for the State of
Louisiana, on whom all process of law, whether mesne or final, against said

_____ may be served in any action or
special proceedings against said

_____ in the State of Louisiana, subject to
and in accordance with all the provisions of the insurance laws of the State of Louisiana; and the said attorney is duly authorized
and empowered, as the Agent of said

_____ to receive and accept service of
process in all cases as provided by the laws of the State of Louisiana, and such service shall be deemed valid personal service upon
said _____.

This appointment to continue in force for the period of time and in the manner provided by the statutes of the State of Louisiana."

I HEREBY CERTIFY, That the above is a correct copy of the Resolution of the Directors
of _____ authorizing
appointment of an Attorney for the State of Louisiana.

Company Secretary's Signature

Company Secretary's Printed Name



**JAMES J. DONELON
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA**

P.O. Box 94214
Baton Rouge, Louisiana 70804-9214
Phone (225) 342-5900
Fax (225) 342-3078
<http://www.lidi.state.la.us>

CONSENT TO BE SUED

Know All Ye Persons By These Presents:

That the _____
a corporation organized under the laws of _____,
domiciled at _____, State of _____ and having its principal
business establishment in the City of _____ State of _____ now
authorized or having applied for authority to transact business in the State of Louisiana, in conformity with the insurance laws
thereof, does, pursuant to the laws of said State, hereby make this its written declaration:

That this said corporation does consent to its being sued in the State of Louisiana by an injured person, or his or her
survivors and that such actions may be commenced against it in the proper court in any parish in the state in which the cause of
action may arise or in which the plaintiff may reside. We do further consent that service of process may be made on the following
agent at the address given below or, upon the absence of said agent, the Commissioner of Insurance of the State of Louisiana.

IN WITNESS WHEREOF, The said _____
in accordance with the resolution of the Board of Directors duly passed on the
____ day of _____, A.D. 19__ (a certified copy of which is hereto attached),
has to these presents affixed its Corporate Seal, and caused the same to be subscribed
and attested by its President and Secretary at the City of _____
in the State of _____ on the _____ day of _____, A.D. 19__.

Secretary's Signature

President's Signature

Secretary's Printed Name

President's Printed Name

STATE OF _____
COUNTY OF _____
CITY OF _____

On this _____ day of _____ A.D. 19____, before me, the subscriber, a _____
duly appointed to take the proof and acknowledgement of Deeds and other instruments came
_____ President,
and _____ Secretary,
of _____
to me personally known to be the individuals described in and who executed the preceding instruments; and they each duly
acknowledged the execution of the same; and being by me each duly sworn, severally, and each for himself, depose and saith,
that they are the said officers of the _____
aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of the said
_____ and that the said Corporate Seal
and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the
said _____.

Witness' Signature

Witness' Printed Name

Witness' Signature

Witness' Printed Name

Company President's Signature

Company President's Printed Name

Company Secretary's Signature

Company Secretary's Printed Name

SWORN TO and subscribed before me this _____ day of _____, 19____.

Notary Public's Signature

Notary Public's Printed Name

My Commission Expires _____

-

CERTIFIED COPY of a Resolution duly passed by the Board of Directors of the _____
on the _____ day of _____, A.D. 19__.

At the meeting of the Board of Directors of the _____
held on the _____ day of _____, A.D. 19__, at the city of _____ in the State of _____
_____ a quorum of the said Board was present and on motion the following Resolution was duly passed
by said Board:

"Resolved that this said corporation does consent to its being sued in the State of Louisiana by an injured person, or his
or her survivors and that such actions may be commenced against it in the proper court in any parish in the state in which the
cause of action may arise or in which the plaintiff may reside. We do further consent that service of process may be made on the
following agent at the address given below or, upon the absence of said agent, the Commissioner of Insurance of the State of
Louisiana."

I HEREBY CERTIFY, That the above is a correct copy of the Resolution of the Directors
of _____ consenting to be sued
in the State of Louisiana.

Company Secretary's Signature

Company Secretary's Printed Name



**JAMES J. DONELON
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA**

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<http://www.lidi.state.la.us>

AFFIDAVIT OF NON-REGULATION

STATE OF _____

COUNTY OF _____

I, _____ as an officer of _____

domiciled in _____

do hereby certify that the company has made a due diligent review of the laws and regulations of the domiciliary state or country and has confirmed that there is no requirement that this company be licensed to offer the services which it proposes to offer in Louisiana in its domiciliary state or country

Witness' Signature

Company President's Signature

Witness' Printed Name

Company President's Printed Name

SWORN TO and subscribed before me this _____ day of _____, 19____.

Notary Public's Signature

Notary Public's Printed Name

My Commission Expires _____



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**AUTHORIZATION FOR RELEASE
OF INFORMATION**

KNOW ALL YE PERSONS BY THESE PRESENTS:

That the _____
organized under the laws of _____
now transacting business or having applied to transact business in the State of Louisiana does hereby authorize the government of
_____, or any political subdivision thereof, to
release any and all information which they may have in their possession regarding the organization, structure, ownership,
management and financial condition of said _____
to the Louisiana Department of Insurance. This authorization shall remain in force until such time as said
_____ has withdrawn from doing business
in the State of Louisiana.

IN WITNESS WHEREOF, The said _____ in
accordance with the resolution of the Board of Directors or other governing body duly
passed on the ____ day of _____, A.D. 19__ (a certified copy of which is
hereto attached), has to these presents affixed its Corporate Seal, and caused the same
to be subscribed and attested by its President and Secretary at the City of _____
_____ in the Country of _____ on the _____ day of _____
_, A.D. 19__.

Secretary's Signature

President's Signature

Secretary's Printed Name

President's Printed Name

COUNTRY OF _____
STATE, PROVIDENCE OR COUNTY OF _____
CITY OF _____

On this ____ day of _____ A.D. 19 __, before me, the subscriber, a _____
duly appointed to take the proof and acknowledgement of Deeds and other instruments came
_____, President,
and _____ Secretary,
of _____
to me personally known to be the individuals described in and who executed the preceding instruments; and they each duly
acknowledged the execution of the same; and being by me each duly sworn, severally, and each for himself, depose and saith,
that they are the said officers of the _____
aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of the said
_____ and that the said Corporate Seal
and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the
said _____.

Witness' Signature

Company President's Signature

Witness' Printed Name

Company President's Printed Name

Witness' Signature

Company Secretary's Signature

Witness' Printed Name

Company Secretary's Printed Name

SWORN TO and subscribed before me this _____ day of _____, 19 ____.

Notary Public's Signature

Notary Public's Printed Name

My Commission Expires _____

CERTIFIED COPY of a Resolution duly passed by the Board of Directors or other governing body of the

on the _____ day of _____, A.D. 19__.

At the meeting of the Board of Directors or other governing body of the

_____ held on the
_____ day of _____, A.D. 19__, at the city of _____ in the country of
_____ a quorum of the said Board was present and on motion the following Resolution was
duly passed by said Board:

"RESOLVED, That this _____
now transacting business, or having applied to transact business in the State of Louisiana, does hereby authorize the government
of _____ or any political subdivision thereof, to
release any and all information which it may have in its possession regarding the organization, structure, ownership, management
and financial condition of said _____
to the Louisiana Department of Insurance. This authorization shall remain in force until such time as said
_____ has withdrawn from doing business in the State of Louisiana."

I HEREBY CERTIFY, That the above is a correct copy of the Resolution of the Directors

of _____ authorizing release of
information to the State of Louisiana.

Company Secretary's Signature

Company Secretary's Printed Name

**LOUISIANA REVISED STATUTES
TITLE 22 CHAPTER 2 PART VII
AUTOMOBILE SERVICE CLUBS**

§1751. Title

This part shall be known and may be cited as the Automobile Services Act.

§1752. definitions

As used in this Part:

(1) "Automobile club" shall mean any person who in consideration of dues, assessments, or periodic payments of money, promises its members or subscribers to assist them in matters relating to travel and the operation, use and maintenance of an automobile in the supply of features or services which may include, by way of illustration and not by way of limitation:

(a) Such service as community traffic safety services, travel and touring services, theft or reward service, map service, towing service, emergency road service, bail bond service and legal fee reimbursement service in the defense of traffic offenses, none of which enumerated features or services, if provided by the automobile club itself, shall be subject to the insurance laws of this state:

(b) The purchase of accidental injury and death benefits insurance coverage issued, as provided by the applicable statutes, by an insurance company authorized to do business in Louisiana; and

(c) Such other features or services not deemed by the commissioner to constitute the business of insurance.

(2) "Commissioner" means the commissioner of insurance of the State of Louisiana.

(3) "Club agent" is a person other than the automobile club itself, who acts or aids in any manner in the solicitation, delivery, or negotiation of any service contract, or of the renewal or continuance thereof. This, however, shall not include any person performing only work of a clerical nature in the office of the automobile club.

(4) "Service contract" means an agreement whereby an automobile club, for a consideration, promises to render, furnish, procure or reimburse club members specified services.

(5) "Person" means any individual person, firm, company, corporation, partnership or association which conducts an automobile club service business in this state.

(6) "Insurance service" means the selling or making available, of individual or group insurance policies or certificates other than service contracts as a result of membership in or affiliation with an automobile club; such policies, if sold or made available, shall be issued only by an insurance company duly authorized to do business in Louisiana. The solicitation and sale of such insurance service in the form of individual or group accidental injury and death insurance policies or certificates by a club agent shall not constitute the solicitation and sale of insurance, and the club agent shall not be required to be a licensed insurance agent in connection with the solicitation and sale of a membership contract which includes such insurance service.

§1753. Deposit required; condition

No automobile club shall render or agree to render service without first depositing and thereafter continuously maintaining security in one of the following forms with the commissioner:

(1) The sum of twenty-five thousand dollars in cash or twenty-five thousand dollars surety bonds by a surety company authorized to do business in Louisiana, or twenty-five thousand dollars in securities of a type approved by the commissioner and qualified for a legal investment by an insurance company authorized to do business in Louisiana.

(2) If any security deposited with the commissioner shall become impaired and shall not be restored within thirty days after written demand by the commissioner, the commissioner shall revoke the certificate of authority of the automobile club, or in the alternative the commissioner may require such additional security deposit as in his discretion he shall deem necessary to restore adequate securities for the automobile club deposit.

(3) The security required to be filed by this act shall be for the protection, use and benefit of any club member and shall be subject to the following conditions, and, if a surety bond, shall be so expressly conditioned that:

(a) The club will faithfully furnish and render to the club members any and all of the automobile club services sold or offered for sale by it; and

(b) The club will pay any fines, fees, or penalties imposed upon it pursuant to the provisions of this part.

§1754. Surety bond; suit

If a surety bond is filed, any applicant defrauded or injured by any wrongful act, misrepresentation or failure on the part of the automobile club with respect to the selling or rendering of any of its services, may bring suit on such bond in his own name; but the aggregate liability of the surety for all such suits, shall, in no event, exceed the sum of such bond.

§1755. Cash or securities; conditions

A deposit of cash or securities, in lieu of the surety bond, shall be subject to the conditions applying to the bond and to execution on judgments against the club.

§1756. Name; deceptively similar

The name of the automobile club shall be submitted to the commissioner for approval before the commencement of business under the provisions of this part. The commissioner shall reject any name so submitted when the proposed name would interfere with the transaction of an automobile club already doing business in this state, or is deceptively similar to that of any other automobile club or other corporation licensed or qualified to do business in this state.

§1757. Certificate of authority; requirements

A. No person shall render or agree to render automobile club service in this state without first obtaining from the commissioner a certificate of authority.

B. An application for an original certificate of authority as an automobile club shall be made to the commissioner in such form and detail as the commissioner shall prescribe, shall be executed under oath by the club president or other principal officer, and shall have attached thereto:

(1) A copy of the club's charter as amended, certified, if a foreign company, by the proper public officer of the state or county of domicile, and its bylaws if any;

(2) A verified statement showing all assets and liabilities and the number of members in all states or territories in which it operates as of December 31 of the preceding year;

(3) The location of the office of the automobile club in this state, if any, and the name of its registered agent in this state;

(4) The irrevocable written consent of the automobile club that actions may be commenced against it in the proper court in any parish in the state in which the cause of action may arise or in which the plaintiff may reside by the service of process on the named resident agent mailed to him at his office, and that it has appointed the commissioner as its attorney to receive service of legal process in the event such service cannot be made upon the registered agent;

(5) A copy of each form of service agreement, contract, and service brochure it proposes to use in this state;

(6) If a foreign company, a certificate, from the proper public official of its state or county of domicile, showing that it is duly organized and is authorized to transact the type of automobile club service which it proposes to transact in Louisiana;

(7) Other documents or stipulations as the commissioner may reasonably require to evidence compliance with the provisions of the laws of this state;

(8) A certificate, issued by the secretary of state, that it has qualified to do business as a corporation in this state;

(9) Evidence that it has complied with the deposit requirement set forth in this Part;

(10) Any other relevant document that is requested by the commissioner.

C. The application shall be accompanied by a fee of three hundred dollars payable to the commissioner.

§1758. Certificate of authority; issuance; renewal

A. The commissioner shall issue a certificate of authority to an automobile club upon compliance with R.S. 22:1757 and upon receipt of proof satisfactory to the commissioner that the owners, members of the board of directors, officers and managers are of good reputation.

B. The certificate shall continue in force as long as the automobile club is entitled thereto under this Part and until suspended or revoked by the commissioner, or terminated at the request of the automobile club subject, however, to renewal of the certificate by the automobile club each year by:

(1) Payment, prior to March 1 of each year following that in which its original certificate is filed, of a fee of two hundred dollars;

(2) Due filing by the automobile club of its verified statement showing a list of all assets and liabilities as of the preceding December 31 to be filed by March 1 of each year.

§1759. Certificate of authority; expiration

Certificates of authority shall expire as of midnight March 31st unless renewed. The commissioner shall promptly notify the automobile club of the occurrence of any failure resulting in a pending expiration of its certificate of authority.

The commissioner may, in his discretion upon the automobile club's request, made within three months after expiration, reinstate and renew a certificate of authority which the automobile club had inadvertently permitted to expire, after the automobile club has fully cured all its failures which resulted in expiration, and upon payment by the automobile club of a fee for reinstatement of one hundred fifty dollars. Otherwise, the automobile club shall be granted another certificate of authority only after filing application therefor and meeting all other requirements as for an original certificate of authority in this state.

§1760. Certificate of authority; refusal; suspension; revocation; fines

A. A certificate of authority may be refused, or a certificate duly issued may be suspended or revoked, or the renewal thereof refused, or in lieu of suspension or revocation of a certificate duly issued, a fine not to exceed five hundred dollars may be levied by the commissioner if, after notice and hearings as hereafter provided, he finds that the applicant for, or holder of such certificate:

- (1) Has violated any provision of this part; or
- (2) It is found by the commissioner to be in such financial condition that its further transaction of automobile club service in this state would be hazardous to its members and the automobile club service buying public in this state or that it is insolvent; or
- (3) It refuses to remove or discharge, or terminate its relationship with a director or officer who has been convicted of any crime involving fraud, dishonesty, or lack of moral turpitude; or
- (4) It customarily or in the regular course of business compels claimants under its service contract either to accept less than the amount due them or fewer services, or to bring suit against it to secure full payment of the amount of all services due; or
- (5) It conducts its business outside this state in such a manner as unjustly to discriminate against or prejudice the interest of the people of this state; or
- (6) It is affiliated with and is under the same general management or interlocking directorate or ownership as another automobile club which transacts business in this state which does not have a certificate of authority therefor; or
- (7) It exceeds its charter powers of its certificate of authority; or
- (8) It refuses to be examined, or if its directors, managing officers, employees or representatives refuse to submit to examination by the commissioner when required by him, or refuse to perform any legal obligation relative to the examination, the time and place of the examination to be specified by the commissioner; or
- (9) It maintains, through its employees, a policy of misrepresenting to the public its service contracts.

B. Before any certificate shall be refused or suspended or revoked, or the renewal thereof refused hereunder, or any fine levied hereunder, the commissioner shall give notice of his intention so to do, by registered mail, to the applicant for or holder of such certificate any applicant or holder of a certificate aggrieved may apply and shall be entitled to a hearing to be called and held in accordance with the provisions of Part XXIX of Title 22 Revised Statutes of 1950. The commissioner is authorized to withhold any fine imposed under this section, and R.S. 22:1766.

C. No certificate holder whose certificate has been revoked hereunder shall be entitled to file another application for a certificate within one year from the effective date of such revocation, or if judicial review of such revocation is sought, within one year from the date of final court order affirming such revocation. Any application, when filed, may be refused by the commissioner unless the applicant shows good cause why the revocation of his certificate shall not be deemed a bar to the issuance of a new certificate.

§1761. Service contracts required; provisions

No service contract shall be executed, issued or delivered in this state until the form thereof has been approved in writing by the commissioner.

The service contract may be in the form of a written agreement between the automobile club and the member or it may consist of a completed application, a membership card and a written description of services to be rendered by the automobile club.

No service contract shall be executed, issued or delivered in this state unless it contains the following:

- (1) The exact corporate or other name of the club.
- (2) The location of its home office and its usual place of business in this state, if any, giving street number and city;
- (3) A provision that the contract may be cancelled at any time by given written notice thereof by either the club or the holder, and that the holder will, if the dues or membership fee has been paid, thereupon be entitled to a refund of the unused portion of the consideration paid for such contract, calculated on a prorata basis over the period of the contract, without any deductions, provided that the automobile club may make a reasonable minimum charge;
- (4) A provision plainly specifying the services promised, that the holder will not be required to pay any sum, in addition to the amount specified in the contract for any services thus specified, the territory wherein such services are to be rendered, the effective date of the contract and the first renewal date;
- (5) A statement on the first page of the service contract in not less than fourteen point modern type stating, "this is not an automobile liability insurance contract".

§1762. Solicitation for unauthorized club prohibited

No person shall solicit or aid in the solicitation of another person to purchase a service contract or membership issued by a club not having a valid certificate of authority.

§1763. Misrepresentation prohibited

No automobile club, officer or agent thereof shall in any manner misrepresent the terms, benefits or privileges of any service contract or membership issued or to be issued by it.

§1764. Validity of noncomplying forms

Any service contract or membership made, issued or delivered contrary to any provision of this act shall, nevertheless be valid and binding on the club.

§1765. Club agents; registration, fees

A. Every automobile club operating in this state pursuant to a certificate of authority issued hereunder shall, within thirty days of the date of employment, file with the commissioner a notice of appointment of a club agent by an automobile club to sell memberships in the automobile club to the public. This notification shall be upon such form as the commissioner may prescribe and shall contain the name, address, age, sex, and social security number of such club agent, and also contain proof satisfactory to the commissioner that such applicant is of good reputation and that he has received training from the club or is otherwise qualified in the field of automobile club services contracts, and

the laws of this state pertaining thereto. Upon termination of any club agency employment by an automobile club, the club shall within thirty days thereafter notify the commissioner of such termination.

B. The fee for the original registration shall be ten dollars and the annual renewal of registration of club agents shall be ten dollars. Registration of club agents shall be renewed on or before the first day of May in each year.

§1767. Annual statement required

Each authorized automobile club shall annually before March 1st file with the commissioner a true statement of its financial condition, transactions, and the affairs as of December 31st preceding. The statement shall contain such information as may be reasonably required by the commissioner, and shall be verified by the oaths of at least two of the automobile club's principal officers.

The commissioner may suspend or revoke the certificate of authority of any automobile club failing to file its annual statement when due or during any extension of time therefor which the commissioner, for good cause, may grant.

§1768. Advertising limitations; exemptions

A. Automobile clubs operating hereunder shall make no reference to their certificate of authority or approval from the commissioner in any advertising, circular, contract or membership card, nor shall automobile clubs advertise or describe their services in such a manner as would lead the public to believe such services include automobile insurance.

B. All automobile clubs operating pursuant to a certificate of authority issued hereunder shall be exempt from the operation of all insurance laws of this state, except where such laws are specifically incorporated herein by reference, and except that accidental injury and death benefits furnished members of such clubs shall be covered under a group policy issued to the automobile club for the benefit of its members and such policy shall be issued by a company licensed to write such insurance in this state. Any such group policy issued to the automobile club shall be evidence to the membership of the club by a certificate of participation in the group policy that shall state on the face of the certificate in at least fourteen point black bold face type that the certificate is only a "certificate of participation in an accidental injury and death group policy and is not automobile liability insurance coverage."

§1769. Violation of act; penalties; prosecution

Violations of any provisions of this part, the punishment for which is not otherwise specifically stated herein is declared to be a misdemeanor and is punishable by a fine of not less than ten dollars nor more than two thousand dollars, or by imprisonment for not more than one year or both fine and imprisonment at the discretion of the court, in addition to any other provisions for revocation, suspension or forfeiture of any license, power or privilege provided herein. If the commissioner has reason to believe that any person has violated any provision of this act for which criminal prosecution would be in order, he shall so inform the district attorney in whose parish any such purported violation may have occurred, who shall have the duty to prosecute the case, if, in his judgment a violation of law has occurred.

§1770. Rules and regulations

The commissioner may make rules and regulations to implement the provisions of this part.

**LOUISIANA REVISED STATUTES
TITLE 22 CHAPTER 2 PART VIII
VEHICLE MECHANICAL BREAKDOWN INSURERS**

§1800. Definitions

As used in this Part:

(1) "Commissioner" means the commissioner of insurance of the state of Louisiana.

(2) "Vehicle" means any vehicle that is required to be titled pursuant to the Vehicle Certificate of Title Law (R.S. 32:701 et seq.).

(3) "Person" means any individual person, firm, company, corporation, partnership or association which provides vehicle mechanical breakdown insurance in this state.

(4) "Vehicle mechanical breakdown insurer" means any person or organization, whether domestic, foreign or alien, issuing or attempting to issue vehicle mechanical breakdown policies as defined herein.

(5) "Vehicle mechanical breakdown insurance policy" means any contract, agreement, or instrument whereby a person other than the owner, seller or lessor of a vehicle, assumes the risk of and/or the expense or portion thereof for the mechanical breakdown or mechanical failure of a motor vehicle and shall include those agreements commonly known as vehicle service agreements or extended warranty agreements.

(6) "Mechanical reimbursement insurance" means an insurance policy issued to a motor vehicle dealer or authorized representative thereunto to insure the performance of a vehicle service contract issued to a consumer if the motor vehicle dealer or the issuer of a service contract becomes insolvent or ceases to do business, or a policy whereby the motor vehicle dealer or designee is fully reimbursed for any and all liability resulting from a service contract issued to a consumer, or an insurance policy whereby such insurance company shall reimburse said motor vehicle dealer after a defined deductible has been reached, or an insurance policy whereby the insurance company shall issue a policy directly to the consumer to insure for the mechanical breakdown or mechanical failure of a motor vehicle.

(7) "Credit disability insurance" means insurance on a debtor to provide indemnity for payment becoming due on a specified loan or other credit transaction while the debtor is disabled as defined in the insurance policy or certificate issued to the debtor.

(8) "Reinsurer" as used in this Part, means a person licensed under this Part engaged in the reinsuring of mechanical reimbursement insurance, residual value insurance, or credit disability insurance policies, or any combination of kinds of insurance.

§1801. License required of vehicle mechanical breakdown insurer

A. No person shall act as or attempt to act as a vehicle mechanical breakdown insurer unless licensed to do so by the commissioner. Each application shall be submitted to the commissioner along with the fee for said license in the amount of one thousand five hundred dollars. Licenses shall be renewed annually upon payment of a fee of one thousand five hundred dollars, due on January 1 of each year and which shall be paid no later than March 15 of the year in which due.

B. Each vehicle mechanical breakdown insurer may also act as a reinsurer in accordance with regulations adopted by the commissioner. All reserves for credit disability insurance shall be retained and held by the credit disability insurer.

§1802. Exceptions

Nothing in this Part shall have any effect upon the giving of the customary manufacturer's warranty, or guarantee; nor shall this Part apply to or affect the giving or selling of performance warranties or guarantees by sellers of motor vehicles. Nothing in this Part shall be construed to prohibit the regulation of the selling of performance warranties or guarantees by sellers of motor vehicles as provided in R.S. 32:772 and 1253.

§1803. Qualifications

The commissioner shall not issue a license as a vehicle mechanical breakdown insurer unless all of the following conditions are met:

(1) If the applicant is a corporation, it shall be a solvent corporation, incorporated under the laws of Louisiana, or another state, district, territory or possession of the United States of America.

(2) Applicant shall furnish such proof as necessary to the commissioner that the directors and management of the company are competent and trustworthy and are capable of successfully managing its affairs in compliance with law.

(3) Applicant shall make the deposit or file such surety as required by R.S. 22:1804, and (4) Applicant shall be in compliance with and continue to be in compliance with all applicable laws.

§1804. Deposit or surety; required

A. To assure faithful performance of its obligations to policyholders, every vehicle mechanical breakdown insurer shall, prior to the issuance of a license, deposit with or for the benefit of the insurance commissioner, securities which, at all times shall have a value of not less than \$150,000.

B. Those securities which may be used as a deposit shall be cash, certificates of deposit purchased from a financial institution licensed to conduct business in the state of Louisiana, bonds of the state of Louisiana or any of its political subdivisions, or bonds of the United States government.

C. In lieu of the deposit of securities required by this Section, the applicant may file with the commissioner a surety bond in the amount required by Subsection A of this Section. The bond shall be authorized by a surety insurer licensed to do business in the state of Louisiana, and shall be for the same purpose as the deposit in lieu of which it is filed and shall be subject to the approval of the commissioner. No such bond shall be cancelled or subject to cancellation unless thirty days written notice is given to the commissioner.

D. If deposit is made in the form of bonds or certificates of deposit, they shall be irrevocably pledged to the commissioner; provided however that any interest earned on said securities shall be the property of applicant.

E. Each deposit or surety shall be maintained unimpaired, unencumbered, and pledged to the commissioner until such time as all outstanding policies or agreements of Louisiana have run their full term and expired. It is the intent of this Subsection that the deposit or surety remain fully in force until such time as all of the insurer's obligations to the policy holders are fulfilled.

F. The deposit or surety required by this Section may from time to time be substituted for with other acceptable securities, or surety bond, subject to the approval of the commissioner.

§1805. Annual reports

Each vehicle mechanical breakdown insurer shall, on or before the 15th day of March of each year, submit to the commissioner a report signed by the president and secretary which shall certify the premiums received by said insurer on risks located in this state for the preceding year. At the same time an annual report shall be submitted to the commission which clearly indicates the method being used to reserve for future losses and the amount in the reserve for the future losses. Each annual report shall be audited by a certified public accounting firm which is acceptable to the commissioner.

§1806. Reserves

Each vehicle mechanical breakdown insurer shall maintain loss reserves in such amounts as the commissioner deems sufficient.

§1807. Contracts not in compliance

Any vehicle mechanical breakdown insurance policy issued in violation of any provisions of this Part shall be an enforceable and valid contract unless otherwise invalid.

§1808. Revocation or suspension of license

The commissioner may revoke or suspend any license required by this Part after a hearing duly called for that purpose which is conducted pursuant to the provisions of the Administrative Procedure Act contained in Title 49 of the Louisiana Revised Statutes of 1950. Causes for revocation or suspension shall be the following:

(1) If any judgment in favor of a policy holder or his heir or assignees has become final and has not been paid in full within sixty days.

(2) If, in the opinion of the commission, the reserve for losses maintained by the insurer are insufficient to cover future losses.

(3) If, in the opinion of the commissioner, the insurer is insolvent.

(4) If the insurer refuses to allow inspection provided by R.S. 22:1810.

§1809. Inspection

After furnishing fourteen days written notice, the commissioner or any representative may inspect the records and reserves of any insurer licensed under this Part. The reasonable expense for inspection of records not available in Louisiana shall be borne by the insurer.

§1810. Cease and desist order; penalty for violation

A. If a hearing is held pursuant to the provisions of the Administrative Procedure Act in Title 49 of the Louisiana Revised Statutes of 1950 and if the commissioner should determine that the provisions of this Part have been violated, the commissioner shall, in addition to the authority to revoke or suspend a license as provided in R.S. 22:1809, have the authority to issue an order requiring such person or insurer violating the provisions of this Part, to cease and desist from such method, act, or practice. A written record shall be made of the commissioner's findings.

B. If, after issuing such cease and desist order, such person or insurer continues to violate the provisions of this Part, the commissioner may seek the enforcement of such order by civil legal action filed in the district court for the parish of East Baton Rouge. Any person who violates a cease and desist order of the commissioner after it has become final and while such order is in effect, shall, upon proof thereof to the satisfaction of the court, forfeit and pay to the state of Louisiana a sum not to exceed five hundred dollars, except that, if such violation is found to be willful, the amount of such penalty shall be a sum not to exceed five thousand dollars.

C. The commissioner may issue a cease and desist order prior to a hearing in accordance with the Administrative Procedure Act as provided herein for violation of R.S. 22:1801 or 1805.

§1811. Rules and regulations

The commissioner may adopt such administrative rules as are necessary to implement the provisions of this Part.

§1812. Scope and limitations

A. It is not the purpose of this Part to alter or diminish any right, privilege or authority granted to any insurance company under any other part or section of this Title.

B. All vehicle mechanical breakdown insurers operating pursuant to a license as required by this Part shall be exempt from the applicability of all other insurance laws of this state, except where such laws are specifically incorporated herein by reference.

**LOUISIANA REVISED STATUTES
TITLE 22 CHAPTER 2 PART IX
PROPERTY RESIDUAL VALUE INSURERS**

§1900. Definitions

As used in this Part:

- (1) "Commissioner" means the commissioner of insurance of the state of Louisiana.**
- (2) "Property" means all classes of movable or immovable property recognized under the laws of this state.**
- (3) "Person" means any individual person, firm, company, corporation, partnership, or association which provides property residual value insurance in this state.**
- (4) "Property residual value insurer" means any person or organization, whether domestic, foreign, or alien, issuing or attempting to issue property residual value policies as defined herein.**
- (5) "Property residual value insurance policy" means any contract, agreement, or instrument whereby a person, other than the owner, seller, lessee, or lessor of property, either directly or indirectly, assumes the risk of and/or the expense or portion thereof for the residual value of property.**
- (6) "Residual value" shall mean the value of property at a specific future time, which value is determined by agreement at the time the contract of lease or sale is entered into.**

§1901. License required of property residual value insurer

No person shall act as or attempt to act as a property residual value insurer unless licensed to do so by the commissioner. Each application shall be submitted to the commissioner along with the fee for such license in the amount of one thousand five hundred dollars. Licenses shall be renewed annually upon payment of a fee of one thousand five hundred dollars, which shall be paid no later than March fifteenth of each year.

§1902. Exceptions

Nothing in this Part shall have any effect upon contracts of casualty or property insurance issued on property in this state.

§1903. Qualifications

The commissioner shall not issue a license as a property residual value insurer unless all of the following conditions are met:

- (1) If the applicant is a corporation, it shall be a solvent corporation, incorporated under the laws of Louisiana or another state, district, territory, or possession of the United States.**

(2) Applicant shall furnish such proof as necessary to the commissioner that the directors and management of the company are competent and trustworthy and are capable of successfully managing its affairs in compliance with law.

(3) Applicant shall make the deposit or file such surety as required by R.S. 22:1904.

(4) Applicant shall be in compliance with and continue to be in compliance with all applicable laws.

§1904. Deposit or surety

A. To assure faithful performance of its obligations to policyholders, every property residual value insurer shall, prior to the issuance of a license, deposit with or for the benefit of the insurance commissioner, securities which, at all times, shall have a value of not less than one hundred fifty thousand dollars.

B. Those securities which may be used as a deposit shall be cash, certificates of deposit purchased from a financial institution licensed to conduct business in the state of Louisiana, bonds of the state of Louisiana or any of its political subdivisions, or bonds of the United States government.

C. In lieu of the deposit of securities required by this Section, the applicant may file with the commissioner a surety bond in the amount of not less than one hundred fifty thousand dollars. The bond shall be authorized by a surety insurer licensed to do business in the state of Louisiana, shall be for the same purpose as the deposit in lieu of which it is filed, and shall be subject to the approval of the commissioner. No such bond shall be cancelled or subject to cancellation unless thirty days written notice is given to the commissioner.

D. If deposit is made in the form of bonds or certificates of deposit, they shall be irrevocably pledged to the commissioner; however, any interest earned on said securities shall be the property of depositor.

E. Each deposit or surety shall be maintained unimpaired, unencumbered, and pledged to the commissioner until such time as all outstanding policies have run their full term and expired. The deposit or surety shall remain fully in force until such time as all of the insurer's obligations to the policyholders are fulfilled.

§1905. Annual reports

Each property residual value insurer shall, on or before the fifteenth day of March of each year, submit to the commissioner a report signed by the president and secretary which shall certify the premiums received by said insurer on risks located in this state for the preceding year. At the same time an annual report shall be submitted to the commissioner which clearly indicates the method being used to reserve for future losses and the amount in the reserve for the future losses. Each annual report shall be audited by a certified public accounting firm which is acceptable to the commissioner.

§1906. Reserves

Each property residual value insurer shall maintain loss reserves in such amounts as the commissioner deems sufficient.

§1907. Contracts not in compliance

Any property residual value insurance policy issued in violation of any provisions of this Part shall be an enforceable and valid contract unless otherwise invalid.

§1908. Revocation or suspension of license

The commissioner may revoke or suspend any license required by this Part after a hearing duly called for that purpose conducted pursuant to the provisions of the Administrative Procedure Act contained in Title 49 of the Louisiana Revised Statutes of 1950. Any license issued under the provisions of this Part shall be revoked or suspended for the following causes:

- (1) A judgment in favor of a policyholder or his heir or assignees has become final and has not been paid in full within sixty days.**
- (2) In the opinion of the commissioner if the reserve for losses maintained by the insurer are insufficient to cover future losses.**
- (3) In the opinion of the commissioner, the insurer is insolvent.**
- (4) The insurer refuses to allow an inspection as provided in R.S. 22:1909.**

§1909. Inspection

After furnishing fourteen days written notice, the commissioner or his representative may inspect the records and reserves of any insurer licensed under this Part. The reasonable expense for inspection of records not available in Louisiana shall be borne by the insurer.

§1910. Cease and desist order; penalty for violation

A. Following a hearing held pursuant to the provisions of the Administrative Procedure Act, if the commissioner determines that the provisions of this Part have been violated, he shall, in addition to the authority to revoke or suspend a license as provided in R.S. 22:1908, have the authority to issue an order requiring such person or insurer violating the provisions of this Part, to cease and desist from such method, act, or practice. A written record shall be made of the commissioner's findings.

B. If, after issuing such cease and desist order, such person or insurer continues to violate the provisions of this Part, the commissioner may seek the enforcement of such order by civil legal action filed in the Nineteenth Judicial District Court for the parish of East Baton Rouge. Any person who violates a cease and desist order of the commissioner after it has become final and while such order is in effect, shall, upon proof thereof to the satisfaction of the court, forfeit and pay to the state of Louisiana a sum not to exceed five hundred dollars, except that, if such violation is found to be willful, the amount of such penalty shall be a sum not to exceed five thousand dollars.

C. The commissioner may issue a cease and desist order for violation of R.S. 22:1901 pending compliance with the Administrative Procedure Act as provided in this Section.

§1911. Rules and regulations

The commissioner may adopt such administrative rules and regulations as are necessary to implement the provisions of this Part.

§1912. Scope and limitations

A. Nothing in this Part shall alter or diminish any right, privilege, or authority granted to any insurance company under any other provisions of Title 22 of the Louisiana Revised Statutes of 1950.

B. All property residual value insurers operating pursuant to a license as required by this Part shall be exempt from the applicability of all other insurance laws of this state, except where such laws are specifically incorporated herein by reference.

**LOUISIANA REVISED STATUTES
TITLE 22 CHAPTER 2 PART XI
ANIMAL INSURER**

§1931. Definitions

As used in this Part:

- (1) "Animal" means any animal other than man and includes fowl, birds, fish, and reptiles.**
- (2) "Animal insurance policy" means any contract, agreement, or instrument whereby a person other than the owner assumes the risk and/or the expense or any portion thereof for the health of an animal.**
- (3) "Animal insurer" means any person or organization, whether domestic, foreign, or alien issuing or attempting to issue animal insurance policies as defined herein.**
- (4) "Commissioner" means the commissioner of insurance of the state of Louisiana.**
- (5) "Person" means any individual person, firm, company, corporation, partnership, or association which provides animal insurance in this state.**

§1932. License required of animal insurer

Except as otherwise provided herein, no person shall act as or attempt to act as an animal insurer unless licensed to do so by the commissioner. Each application shall be submitted to the commissioner along with a license fee of one thousand five hundred dollars. Licenses shall be renewed annually upon payment of a fee of one thousand five hundred dollars, due on January 1 of each year, and which shall be paid no later than March 15 of the year in which due.

§1933. Exceptions

Nothing in this Part shall apply to or affect the giving or selling of warranties or guarantees by sellers of animals.

§1934. Qualifications

The commissioner shall not issue a license to an animal insurer unless all of the following conditions are met:

- (1) If the applicant is a corporation, it shall be a solvent corporation incorporated under the laws of Louisiana or another state, district, territory, or possession of the United States of America.**
- (2) Applicant shall furnish such proof as is necessary to the commissioner that the directors and management of the company are competent, trustworthy, and capable of successfully managing its affairs in compliance with law.**
- (3) Applicant shall deposit securities or file a surety bond as required by R.S. 22:1935.**
- (4) Applicant shall be in compliance with and continue to comply with all applicable laws.**

§1935. Deposit or surety; required

A. To assure faithful performance of its obligations to policyholders, every animal insurer, prior to the issuance of a license, shall deposit with or for the benefit of the insurance commissioner securities which at all times shall have a value of not less than one hundred fifty thousand dollars.

B. Those securities which may be used as a deposit shall be cash, certificates of deposit purchased from a financial institution licensed to conduct business in the state of Louisiana, bonds of the state of Louisiana or any of its political subdivisions, or bonds of the United States government.

C. In lieu of the deposit of securities required by this Section, the applicant may file with the commissioner a surety bond in the amount required by Subsection A of this Section. The bond shall be authorized by a surety licensed to do business in the state of Louisiana, shall be for the same purpose as the deposit in lieu of which it is filed, and shall be subject to the approval of the commissioner. No such bond shall be cancelled or subject to cancellation unless thirty days written notice is given to the commissioner.

D. If deposit is made in the form of bonds or certificates of deposit, they shall be irrevocably pledged to the commissioner; provided that any interest earned on the securities shall be the property of the applicant.

E. Each deposit or surety shall be maintained unimpaired, unencumbered, and pledged to the commissioner until such time as all outstanding policies or agreements in Louisiana have run their full term and expired. It is the intent of this Subsection that the deposit or surety remain fully in force until such time as all of the insurer's obligations to the policyholders are fulfilled.

F. The deposit or surety required by this Section may from time to time be substituted with other acceptable securities or surety bond, subject to the approval of the commissioner.

§1936. Annual reports

Each animal insurer on or before the fifteenth day of March of each year, shall submit to the commissioner a report certifying the premiums received by the insurer on risks located in this state for the preceding year. At the same time an annual report shall be submitted to the commissioner which clearly indicates the method being used to provide reserves for future losses and the amount currently in reserve. Each annual report shall be audited by a certified public accounting firm acceptable to the commissioner.

§1937. Reserves

Each animal insurer shall maintain loss reserves in such amounts as the commissioner considers sufficient.

§1938. Contracts not in compliance

Any animal insurance policy issued in violation of any provisions of this Part shall be an enforceable and valid contract unless otherwise invalid.

§1939. Revocation or suspension of licenses

The commissioner may revoke or suspend any license required by this Part after a hearing duly called for that purpose which is conducted pursuant to the provisions of the Administrative Procedure Act. Causes for revocation or suspension shall be the following:

- (1) Any judgment in favor of a policyholder or his heirs or assignees has become final and has not been paid in full within sixty days.
- (2) In the opinion of the commissioner, the reserve for losses maintained by the insurer is insufficient to cover future losses.
- (3) In the opinion of the commissioner, the insurer is insolvent.
- (4) The insurer refuses to allow inspection provided by R.S. 22:1940.

§1940. Inspection

After furnishing fourteen days written notice, the commissioner or his representative may inspect the records and reserves of any insurer licensed under this Part. The reasonable expense for inspection of records not available in Louisiana shall be borne by the insurer.

§1941. Cease and desist order; penalty for violation

A. If a hearing is held pursuant to the provisions of the Administrative Procedure Act and if the commissioner determines that any provision of this Part has been violated, the commissioner, in addition to the authority to revoke or suspend a license as provided in R.S. 22:1939, shall have the authority to issue an order requiring such person or insurer violating any provision of this Part to cease and desist from such method, act, or practice. A written record shall be made of the commissioner's findings.

B.(1) If after issuing such cease and desist order the person or insurer continues to violate a provision of this Part, the commissioner may seek the enforcement of such order by civil action filed in the Nineteenth Judicial District Court.

(2) Any person who is found by the court to have violated a cease and desist order of the commissioner after it has become final and while such order is in effect, shall forfeit and pay to the state of Louisiana a sum not to exceed five hundred dollars, except that, if such violation is found to be willful, the amount of the penalty shall be a sum not to exceed five thousand dollars.

§1942. Rules and regulations

The commissioner may adopt such administrative rules as are necessary to implement the provisions of this Part.

§1943. Scope and limitation

A. It is not the purpose of this Part to alter or diminish any right, privilege, or authority granted to any insurance company to write casualty insurance on the life or health of animals under any other Part or Section of this Title.

B. All animal insurers operating pursuant to a license as required by this Part shall be exempt from the applicability of all other insurance laws of this state, except where such laws are specifically incorporated herein by reference.

C. The provisions of this Part shall not apply to the insuring of the life or health of large animals having a gross weight of three hundred pounds or more at maturity.